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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/488,297	01/20/2000	Michael A. Keresman III	PRA 2 0001	4241

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EXAMINER
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SNAPP, SANDRA S

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 10/08/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

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**Office Action Summary**

Application No.

09/488,297

Applicant(s)

KERESMAN III ET AL.

Examiner

Sandra Snapp

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**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --****Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 04 March 2002.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-35 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-22, 29, 30, 34 and 35 is/are rejected.
- 7) ☒ Claim(s) 23-28 and 31-33 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 02 January 2000 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)                      4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)                      5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 4, 7 & 8                      6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Priority***

The present application claims priority to provisional application serial no. 60/157,304, filed October 1, 1999.

### ***Drawings***

The informal drawings are of sufficient quality to permit examination, however should the application be allowed, formal drawings will be required.

### ***Claim Objections***

Claims 7 and 10 are objected to because of the following informalities:

In claim 7, the term “sting” should be “string”; and

In claim 10, the phrase “codes *is* displayed” should be “codes *are* displayed” since ‘codes’ is plural.

Appropriate correction is required.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

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Claims 1-3, 6, 9-12, 16 and 35 are rejected under 35 U.S.C. 102(b) as being anticipated by the Weiss patent (US 5,657,388).

The Weiss reference discloses a method of conducting a commercial transaction carried out over the Internet comprising:

Synchronizing a token, providing an account holder with the token, receiving a code communicated by a buyer in the commercial transaction, and comparing the received code with the periodically changing non-predictable code to authenticate the buyer as the account holder (col. 2, lines 41-65)(claims 1, 6 and 35);

Providing the account holder with a unique user name associated with the periodically changing non-predictable code, and receiving a user name communicated by the buyer wherein the received code is compared to the periodically changing non-predictable code (col. 3, lines 1-11)(claim 2);

Authorizing completion of the commercial transaction when the buyer has been authenticated, and denying authorization for completion of the commercial transaction when the buyer has not been authenticated as the account holder (col. 6, lines 60-68)(claims 3, 12 and 16);

Displaying the periodically changing non-predictable codes generated by each token and the codes are displayed on the token itself (col. 3, lines 29-54)(claims 9 and 10); and

Indicating the amount of time remaining until a next change of the periodically changing non-predictable codes (col. 3, lines 44-57)(claim 11).

***Claim Rejections - 35 USC § 103***

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The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

*Claims 4, 5, 7, 8, 13-15, 17-20, 22, 29, 30 and 34 are rejected under 35 U.S.C. 103(a) as being unpatentable over the Weiss patent in view of the Sandber-Diment patent (US 5,826,245).*

The Weiss patent discloses all the elements of the claimed invention, as stated above, except for the following:

Regardless of the authentication, denying authorization to complete the commercial transaction when the amount for the commercial transaction exceeds a threshold, and authorizing completion of the commercial transaction when the amount for the commercial transaction is less than or equal to the threshold and the buyer has been authenticated as the account holder (claims 4 and 29);

The threshold represents an amount selected from a group consisting of funds on deposit for the account holder and credit available to the account holder (claims 5 and 30);

Each periodically changing non-predictable code is a string of alpha-numeric characters (claim 7);

There are at least 6 alpha-numeric characters in each string (claim 8);

The commercial transactions are carried out over the Internet (claim 13);

Selecting a number of merchants doing business on the Internet, and providing the merchants with transaction objects to be loaded onto Internet connected servers which will be used to carry out the commercial transactions between the merchants and the buyers, wherein the

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objects are accessed by the buyers when communicating the codes and the user names such that the codes along with the user names are received (claims 14 and 15);

Obtaining personal information about each account holder, and communicating to merchants the personal information, such information including an address (claims 17 and 18);

Receiving a purchase request of a buyer from a participating merchant, authenticating the buyer as an account holder, establishing transaction fulfillment data indicating a delivery destination, communicating the transaction fulfillment data to the participating merchant, receiving transaction details from the participating merchant including the cost for the selected items, authorizing completion of the transaction and establishing an authorization code therefore, and communicating the authorization code for the transaction to the merchant (claims 19 and 34);

Authenticating the buyer includes using at least one factor authentication (claim 20); and

The cost of the selected items includes tax and shipping (claim 22).

The Sandberg-Diment patent teaches:

Regardless of the authentication, denying authorization to complete the commercial transaction when the amount for the commercial transaction exceeds a threshold, and authorizing completion of the commercial transaction when the amount for the commercial transaction is less than or equal to the threshold and the buyer has been authenticated as the account holder (col. 3, lines 55-67)(claims 4 and 29);

The threshold represents an amount selected from a group consisting of funds on deposit for the account holder and credit available to the account holder (col. 3, lines 60-67)(claims 5 and 30);

Each periodically changing non-predictable code is a string of alpha-numeric characters (col. 2, lines 60-68) (claim 7);

There are at least 6 alpha-numeric characters in each string (col. 3, lines 1-8)(claim 8);

The commercial transactions are carried out over the Internet (col. 2, lines 40-43)(claim 13);

Selecting a number of merchants doing business on the Internet, and providing the merchants with transaction objects to be loaded onto Internet connected servers which will be used to carry out the commercial transactions between the merchants and the buyers, wherein the objects are accessed by the buyers when communicating the codes and the user names such that the codes along with the user names are received (col. 2, lines 48-59)(claims 14 and 15);

Obtaining personal information about each account holder, and communicating to merchants the personal information, such information including an address (col. 3, lines 14-23)(claims 17 and 18);

Receiving a purchase request of a buyer from a participating merchant, authenticating the buyer as an account holder, establishing transaction fulfillment data indicating a delivery destination, communicating the transaction fulfillment data to the participating merchant, receiving transaction details from the participating merchant including the cost for the selected items, authorizing completion of the transaction and establishing an authorization code therefore,

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and communicating the authorization code for the transaction to the merchant (col. 3, lines 29-67)(claims 19 and 34);

Authenticating the buyer includes using at least one factor authentication col. 3, lines 55-67)(claim 20); and

The cost of the selected items includes tax and shipping (Examiner takes Official Notice that such criteria are common and known in commercial transactions)(claim 22).

It would have been obvious to modify the Weiss patent with the teachings of the Sandberg-Diment system, since both systems are for securing the transfer of information, so as to provide a more versatile system capable of authenticating commercial transactions and verifying they have the funds accommodate such transactions, as well as providing a system that more accurately identifies the user, thus reducing the opportunity for error.

<sup>21 15</sup>  
~~Claims 1-35~~ are rejected under 35 U.S.C. 103(a) as being unpatentable over Weiss in view of Sandber-Diment, as indicated above, and further in view of Hoffman et al. (US 6,012,039). The Weiss/Sandberg-Diment combination patent discloses or teaches all the elements of the claimed invention, as stated above, except for the step of authenticating the buyer by using biometric authentication (claim 21). The Hoffman et al. patent teaches authenticating a buyer by using biometric authentication (col. 6, line 67 through col. 7, line 2)(claim 21). It would have been obvious to modify the Weiss/Sandber-Diment combination to include the teachings of the Hoffman et al. patent so as to provide an even more secure and individual authentication system since biometric elements are unique per individual and not capable of being copied thus reducing the opportunity for fraud or misidentification.



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*Allowable Subject Matter*

Claims 23-28 and 31-33 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

*Conclusion*

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The Walker et al., Goldschlag et al., O'Neil et al., Muftic (both), Hoffman et al., White, Saito et al., Avarne, Cordery et al., Lee et al. (both) and Halpern patents all show various types of electronic systems with some form of providing security for their users.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sandra Snapp whose telephone number is 703-305-6940. The examiner can normally be reached on Mon.-Thurs..

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

  
SS

VINCENT MILLIN  
SUPERVISORY PATENT EXAMINER  
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